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DIRECTORATE OF  
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# *Central Intelligence Bulletin*

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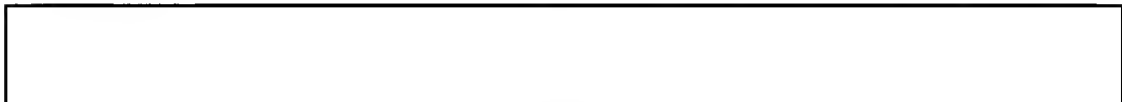
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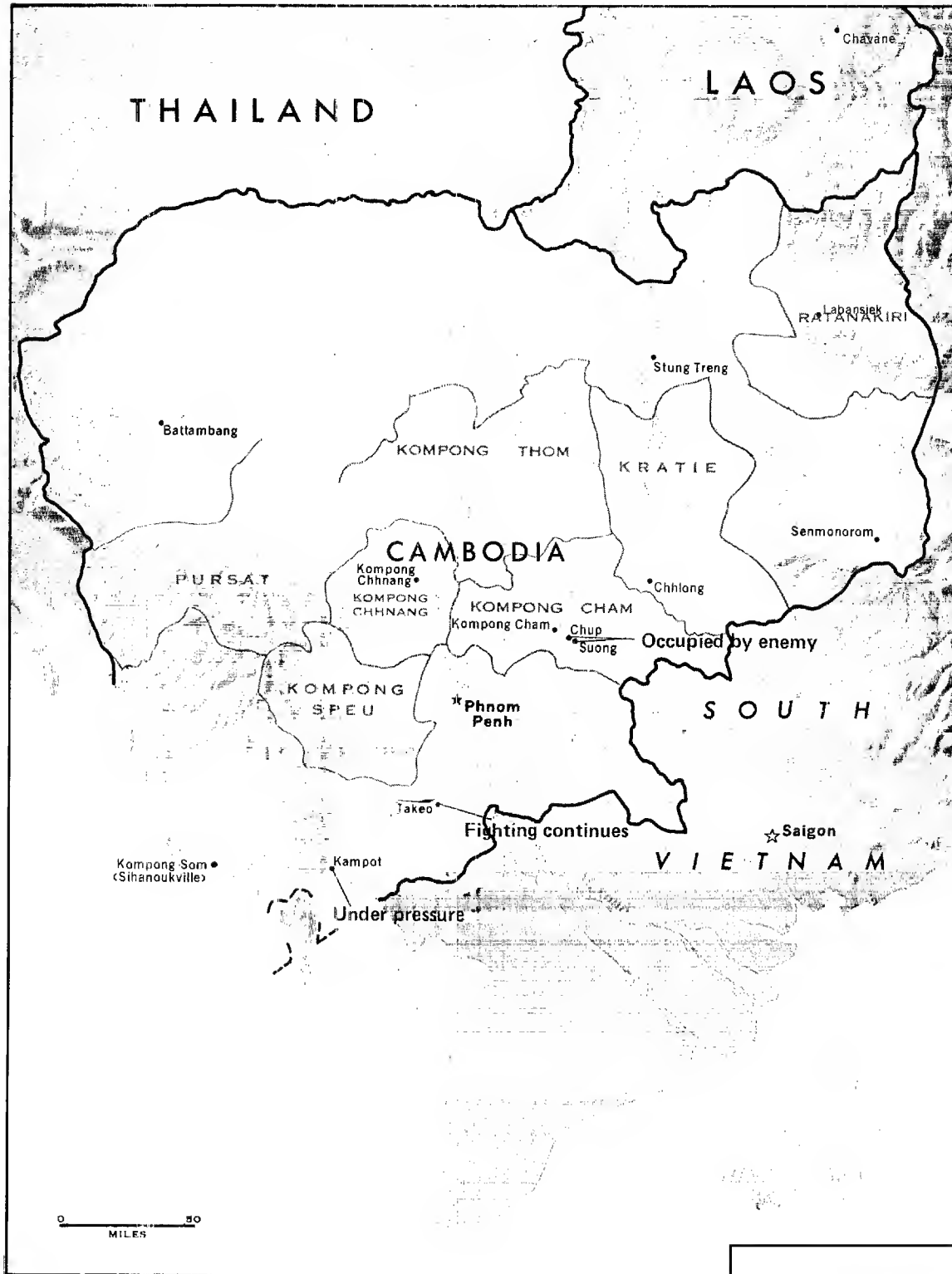
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## Cambodia: Current Situation



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Cambodia: The government continues to give ground before steady Communist advances.

Much of the province of Kompong Cham east of the Mekong River now is under Communist control.

25X1 [redacted] well-armed Vietnamese Communists have occupied the vast rubber plantation at Chup, only eight miles from Kompong Cham city. The government blocking position at Suong has also been overrun, and government troops, who had moved to the east bank of the Mekong during the loading of Vietnamese repatriates onto South Vietnamese vessels at Kompong Cham, were chased back across the river by heavy enemy pressure.

Fighting continues to flare in the south, although no major new enemy gains have been reported. Street fighting is reported in Takeo town, and government troops have received South Vietnamese air support. The provincial capital of Kampot is under continuing pressure and fire from the Communists, who still hold the high ground around the town.

On the diplomatic side, both Hanoi and the Viet Cong have served notice on Phnom Penh that they are withdrawing their few remaining diplomats from the Cambodian capital. Unlike Peking, however, Hanoi still has not announced a formal rupture of diplomatic relations. It is not clear why the North Vietnamese are reluctant to take the last step.

The Lon Nol regime's closer relationship with Saigon has already been subjected to some strains. The aggressive South Vietnamese mission chief in Phnom Penh apparently was miffed by Cambodia's move to resume relations with Bangkok ahead of Saigon. The recent murder of a South Vietnamese sailor by Cambodian students in Phnom Penh also caused some temporary tension, and the US Embassy reports that the South Vietnamese military and civilian officials have been somewhat overbearing in their relations with the Cambodians. [redacted]

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Cambodia-Asia: The Djakarta conference on Cambodia, to be held on 16 and 17 May, seems likely to be a low-keyed affair.

The 12 nations attending, with the exception of Indonesia and Singapore, are avowedly pro-West. Indonesia is a major recipient of Western assistance, and Singapore has defense arrangements with the UK. The ten nations that declined to participate include four Communist governments--Communist China, North Vietnam, North Korea, and Outer Mongolia--and the more strongly nonaligned states--Afghanistan, Nepal, India, Pakistan, Ceylon, and Burma.

Despite its one-sided complexion, the conference is unlikely to reach agreement on anything more than a mild set of resolutions and possibly a referral of the Cambodian problem to the United Nations. [REDACTED]

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[REDACTED] Several participants have suggested consideration of some kind of follow-up actions, such as setting up an observer team in Cambodia and holding further meetings to consider subsequent developments.

Reinforcing the tendency toward a bland meeting are internal pressures in Indonesia and Japan, two of the prime movers of the conference. Malik has come under domestic criticism for compromising Indonesia's nonaligned policy not only by becoming involved but also by actually sponsoring an essentially pro-Western meeting. In Japan, Prime Minister Sato and Foreign Minister Aichi have been criticized for tacit approval of US actions.

The conference is unlikely to alleviate the Cambodian situation but, as intended, could give the Lon Nol government a psychological boost. [REDACTED]

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South Vietnam: Rumors that Prime Minister Khiem may be replaced continue to circulate in Saigon.

There have been reports since early March that President Thieu is looking for a replacement for Khiem because of the latter's ineffective leadership of the cabinet. Khiem reportedly would like to become chief of the armed forces. The press has speculated that Professor Nguyen Van Bong of the Progressive Nationalist Movement (PNM), a moderate opposition party, is under consideration.



The rumors take on added significance in view of recent indications of discouragement at the top levels of the Saigon government over continuing economic and social problems. Although Thieu has told the cabinet he is not dissatisfied with Khiem, a similarly drawn-out, rumor-ridden period preceded former prime minister Huong's removal from office last summer.



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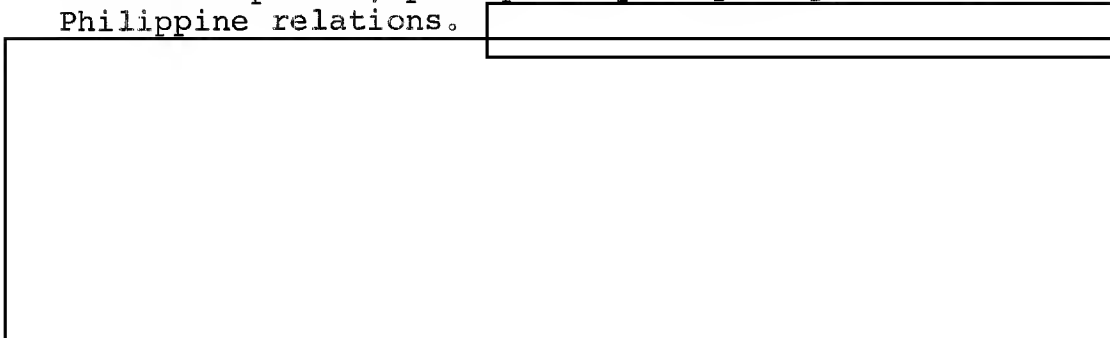
Philippines: President Marcos seems to have decided on more amicable tactics in dealing with the US presence.

He recently moved to curb increasing irritants to US-Philippine relations caused by Filipinos. At a meeting with high-level Philippine officials, he silenced a congressman who had been using the issue of incidents involving US servicemen to gain political publicity for himself. Marcos forced the congressman to stop pushing for a congressional resolution that would have termed one US base commander persona non grata.

This action by Marcos, who has himself played on anti-US sentiment when he considered it to his political advantage, reflects a new assessment of the role and value of US bases to the Philippines. Marcos had been increasingly worried over what he saw as a precipitate reduction in the US military presence in Asia. His relief and encouragement over President Nixon's decision on Cambodia was clearly expressed in his letter to the President praising the latter's decision.

Marcos' current attitude may portend a less difficult period, perhaps only temporary, in US-Philippine relations.

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Morocco: Student dissidence has flared anew as the government moves to isolate leaders of the left-wing student organization.

The issue that led to a call for a student rally today was the forcible drafting into "national service" of leaders of the left-wing National Union of Moroccan Students (UNEM) and other militants. The authorities apparently believed it was necessary to isolate the leaders after several recent incidents occurred involving the students and their boycott of committees established to discuss educational reforms.

Some 15 students were reportedly arrested on 1 May for participating under UNEM orders in a labor parade during which they shouted anti-American, antimonarchy, and pro-Palestinian slogans. Three days later, during the visit of the Spanish foreign minister, the UNEM ordered a half-day student strike and convoked a rally at which Spain, the US, and the Moroccan Government were strongly criticized. The police frustrated another attempt to hold a student rally on Monday and probably will try to prevent the meeting today.

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Cuba: Castro's overreaction to the most recent exile operation probably is intended to divert attention from the faltering sugar harvest and promote closer military ties with Moscow.

In a communiqué issued yesterday, Castro acknowledged that two Cuban fishing vessels and their crews were missing and might have been captured by the exile group Alpha 66, which has taken credit for picking them up. Although Alpha 66 has demanded prisoners in exchange for the fishing crews, Castro rejected the demand. He again accused the US of complicity in such attacks by allowing exile groups to recruit and train on US territory. Castro reinforced his complaints by registering a strong protest with a Swiss Embassy official and the British ambassador.

Although Castro may be genuinely concerned about the exiles' freedom to launch attacks and their ability to recruit and train personnel, he is probably using the incidents in part to divert attention from the 1970 sugar harvest. Castro doubtless realizes that his 10-million-ton goal cannot be achieved, and he may be planning to use the exile attacks to explain the failure to the Cuban population.

Armed Forces Minister Raul Castro has just concluded a lengthy visit to the Soviet Union, probably negotiating for additional Soviet military aid. Charges that the exile attacks are being launched from and sponsored by the US were probably used in these talks. In addition, the capture of the fishing boats comes shortly after Castro's most recent foreign policy statement, in which he strongly stated his willingness to have closer military ties with the Soviet Union.

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Bolivia: The new cabinet represents only minor changes from the old, and no important radical civilians have been removed.

President Ovando announced the cabinet Tuesday after two weeks' delay. The military reportedly has been pressing him to replace the radical civilians, but the new cabinet retains Petroleum Minister Quiroga and Information Minister Bailey, the two civilians most objectionable to the armed forces. Their portfolios have been somewhat reduced, however. Replacements were made only in the ministries of labor and foreign affairs.

The changes do not appear to represent a real victory for either the radicals or the moderates in the government. Both the new foreign minister and the new labor minister are to the left of center, but they served as advisers to former president Barrientos and are probably acceptable to the armed forces. The balance between civilians and military officers in the cabinet remains the same.



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Central America: New efforts to end the impasse between El Salvador and Honduras and to revive the Central American Common Market are under way.

Taking advantage of the presence of high-ranking Central American officials attending his inauguration last weekend, Costa Rican President Figueres gained agreement to a phased negotiating program. The two feuding states will intensify efforts to demilitarize the border and if no agreement is reached by 20 May, foreign ministers from the five Central American nations will meet on 22 May, and again on 7 June, if necessary. As soon as the border is demilitarized, talks on a resumption of relations between the two countries and on restoring and restructuring the Common Market would begin.

After months of virtual stalemate, this new initiative has engendered a degree of optimism. Honduran and Salvadoran representatives were reported to have reached nearly complete agreement on demilitarization of the border areas. Nevertheless, these states have demonstrated a capacity for backsliding and foot-dragging in the past, and it is still too soon to predict a successful conclusion.

Nicaragua, Costa Rica, and Guatemala appear to be increasingly frustrated by the problems facing the Common Market and may be tempted to take stronger measures to get matters moving. They have threatened, for example, to close their borders to Salvadoran goods if the Salvadorans do not end their six-week disruption of traffic along the Pan American Highway. If the highway is opened as promised, attention may shift to Honduras. Should the Honduran demands for the restructuring of the economic integration movement continue to impair the operation of the Common Market, a four-member economic community could result. [REDACTED]

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Malaysia: The anniversary of last year's communal riots on 13 May has passed relatively quietly. Several minor incidents, in which Malays attacked Chinese, took place in the northern state capital of Ipoh, but Kuala Lumpur remained calm. Security officials are confident that they have everything well in hand, despite the injury of at least ten Chinese and the possible killing of two others during the Ipoh incidents. With tension heightened, however, further disorders could occur at any time.

[REDACTED]

\* \* \* \*

NATO-Greece: Press reports that the US will announce resumption of arms shipments to Greece after the NATO ministerial meeting have increased the possibility that Denmark will formally raise the issue at the session on 26-27 May. The Danish Government, which is experiencing strong pressure in Parliament, has stiffened its opposition to being associated, even indirectly, with arms aid to the Greek regime. Copenhagen has succeeded in forcing a delay until after the meeting in NATO approval of a report that recommends strengthening Greek forces. Norway, the Netherlands, and Belgium also may be increasingly inclined to raise the Greek question, at least informally, at the meeting. Their action would stem from domestic pressure and the absence of conclusive evidence that the Athens regime is moving toward democracy.

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